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Message Text

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62
ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 PA-01 PRS-01

/094 W

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R 101501Z OCT 75
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5489
INFO AMCONSUL EDINBURGH

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E.O. 11652: N/A
TAGS: ETRD, ENRG, UK
SUBJECT: NORTH SEA OIL: OFFSHORE OPERATORS' PROCUREMENT

REF: LONDON 15498

1. REPRESENTATIVES OF UK OFFSHORE OPERATORS ASSOCIATION (UKOOA) HAVE NOW AGREED WITH DEPARTMENT OF ENERGY ON DRAFT MEMORANDUM OF UNDERSTANDING AND CODE OF PRACTICE CONSTITUTING EUIDELINES FOR PROCUREMENT AND UKOOA COUNCIL HAS RECOMMENDED DRAFTS TO FULL MEMBERSHIP. HMG CONTINGENCY PLAN TO SPONSOR "FULL AND FAIR OPPORTUNITY" AMENDMENT TO PETROLEUM AND SUBMARINE PIPELINES BILL HAS BEEN DROPPED.

2. TEXTS, WHICH WE ARE POUCHING TO EUR/NE, APPEAR TO US SUBSTANTIALLY TO REFLECT EXISTING PRACTICE AS WE UNDERSTAND IT. THEY DO INCLUDE FAIRLY ONEROUS INFORMATIONAL REQUIREMENTS AND ACQUIESCE IN RIGHT OF DOE TO ALMOST UBIQUITOUS INVOLVEMENT IN OPERATORS PROCUREMENT
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ACTIVITIES. HOWEVER THEY DO NOT SEEM TO US TO INVOLVE

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ANY CLEAR IMPROPRIETY IN THE SENSE OF COMPELLING ANY DECISION IN CONFLICT WITH COMMERCIAL INTERESTS OF OPERATORS. MMRE SPECIFICALLY, DOE HAS RETREATED ON POINTS THAT PARTICULARLY TROUBLED US IN PREVIOUS DRAFT (PARA 3 REFTEL). POINT (A) HAS BEEN CLARIFIED ALONG LINES OF DOE COMMENT TO US THAT NO FINANCIAL ASSISTANCE BY OPERATORS TO HELP CREATE INDIGENOUS SUPPLY CAPACITY IS INVOLVED ALD TEXT PERTINENT TO POINT (B) NOW REFLECTS UKG UNDERTAKING TO TAKE ALL REASONABLE STEPS TO AVOID DELAYING OPERATORS' DECISIONS WITHOUT ASSERTING RIGHT TO INTERFERE.

3. PROCEDURES SET FORTH IN DRAFT GUIDELINES STILL CONTAIN MUCH POTENTIAL FOR PRESSURE ON OPERATORS TO BUY BRITISH AND PPACTICAL EFFECTS WILL DEPEND A GOOD DEAL ON HOW THEY ARE IMPLEMENTED. HENCE WE INTEND TO CONTINUE TO KEEP A CLOSE EYE ON THE MATTER.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: OFFSHORE DRILLING, NATURAL GAS, PETROLEUM, SALES, PROCUREMENT, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1975
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: greeneet
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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